

### **More Hubzone Q&A**

35. In Section B, 5.2 Cost Reimbursement, Amendment 03, the statement "audited financial statements" was struck from the RFP. An additional statement was added stating "if a Certified Public Accountant (CPA) firm is used, they will certify that the offeror's accounting system is in compliance with General Accepted Accounting Principles (GAAP)." It is our understanding from consulting with a CPA firm that certifying that our accounting system is in compliance with GAAP means that an audit of our financial statements would have to be performed. Is this what you intended for this amendment to imply?

The Government only wants to ensure that the firm's cost accounting system is in compliance with GAAP and the FAR. It is not interested in receiving a balance sheet, statement of cash flows, income statements, etc.

36. If it is your intention that our company have an audit performed by a CPA firm, it will not be possible for us to have this done in time to bid on the subject RFP, but we can engage a CPA firm to perform an audit as soon as possible. We would anticipate having an audit report to you before the award date. Will this be adequate for this RFP? Can an extension of time be granted for the audit?

No extension will be granted. Audit information must be received prior to the proposal due date.

Our company self certifies that all costs are accounted for in accordance with the cost principles contained in Part 31 of the Federal Acquisition Regulation (FAR), as supplemented by regulations issued by your agency and other government agencies. As a qualified "small business" the company is exempt from the requirements of the Cost Accounting Standards (CAS), however it complies with those individual CAS that are specifically prescribed for inclusion in the FAR cost principles. Our company self certifies that we also comply with generally accepted accounting principles (GAAP) except where those principles conflict with the requirements of the FAR and related regulations.

The Government is not asking for CAS compliance as required by FAR 30.

Rather it wants to ensure that FAR Part 31 Contract Cost Principles are used on cost-reimbursable contracts as required in FAR 31.

37. I am working on table 5.1.1 Hourly Labor Rates (Firm Fixed Price) for the above solicitations. Based on the estimated annual hours, base hourly rates and our markups, over 5 years, we go over the \$4,000,000 allotted for each solicitation. Thank you in advance for your assistance with the following questions. Are you basing the \$4,000,000 on the first 2 years and any remaining money towards additional years?

The total contract cannot exceed \$4,000,000.00. The estimated annual hours are estimations that will be used for evaluation purposed only. The actual annual hours may differ from the estimations.

38. I have added totals to the bottom of the fully loaded total for each year and a grand total for over the 5 year period in table 5.1.1, is this acceptable?

Section B, Table 5.1.1 should not be changed or altered.